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1 {York Stenographic Services, Inc.}
2 RPTS TOOT
3 HIF205.160
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4 H.R. 3670, THE ANTI-SPOOFING ACT OF 2013;
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5 H.R. ____, THE LPTV AND TRANSLATOR ACT OF 2014;
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- 6 AND H.R. , THE E-LABEL ACT
- 7 THURSDAY, JULY 24, 2014
- 8 House of Representatives,
- 9 Subcommittee on Communications and Technology
- 10 Committee on Energy and Commerce
- 11 Washington, D.C.

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12 The subcommittee met, pursuant to call, at 10:12 a.m.,
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- 13 in Room 2322 of the Rayburn House Office Building, Hon. Greg
- 14 Walden [Chairman of the Subcommittee] presiding.
- 15 Members present: Latta, Shimkus, Terry, Lance, Guthrie,
- 16 Gardner, Long, Ellmers, Barton, Eshoo, Doyle, Braley, Welch,

- 17 Matheson, Waxman (ex officio), and Walden.
- 18 Staff present: Ray Baum, Senior Policy Advisor/Director
- 19 of Coalitions; Leighton Brown, Press Assistant; Andy
- 20 Duberstein, Deputy Press Secretary; Graham Dufault, Policy
- 21 Coordinator, CMT; Gene Fullano, Detailee, Telecom; Kelsey
- 22 Guyselman, Counsel, Telecom; Grace Koh, Counsel, Telecom;
- 23 David Redl, Counsel Telecom; Charlotte Savercool, Legislative
- 24 Clerk; Shawn Chang, Democratic Chief Counsel for
- 25 Communications and Technology Subcommittee; Margaret
- 26 McCarthy; Democratic Professional Staff Member; Ryan
- 27 Skukowski, Democratic Policy Analyst; and Patrick Donovan,
- 28 Democratic FCC Detailee.

29 Mr. {Walden.} We will call to order the Subcommittee on 30 Communications and Technology for our hearing on HR 3670, the 31 Anti-Spoofing Act of 2013, the LPTV and Translator ACT of 32 2014, and the E-LABEL Act. We are here today to conduct an 33 important part of the Committee's business, a legislative 34 hearing on Bills and discussion drafts. We will be 35 considering three different but useful pieces of legislation 36 that will benefit consumers, streamline electronic device 37 manufacturing for the digital age and protect Americans from misleading communications. 38 39 HR 3670, the Anti-Spoofing Act of 2013, aims to prevent 40 bad actors from using spoofing services to misrepresent who 41 is sending a text message. Introduced by Representatives 42 Barton and Meng, this bipartisan Bill enhances the 43 protections of the Truth in Caller ID Act of 2009 by 44 extending the prohibition to text messaging. Spoofing, when 45 a caller purposefully falsifies who is originating a call or 46 a text message, has often been used maliciously by scammers to trick unsuspecting recipients. By utilizing one of the 47 48 many easily found spoofing services, the perpetrator can make

49 a text message appear as though it is from anyone the sender 50 chooses to impersonate; usually, posing as a familiar 51 website, service or friend or relative of the recipient. 52 Thinking they are talking to someone they know and trust, the person on the receiving end is convinced to give up personal 53 54 and sensitive information like bank account numbers or 55 passwords. For example, customers of a Florida credit union 56 received text messages that their--that were allegedly from 57 the bank, alerting them to unusual activity on their account, and requesting information, including credit card numbers, 58 PIN numbers and account numbers. While the credit union was 59 60 able to quickly detect the scam and alert customers, there were thousands at risk for compromised personal information. 61 62 This Bill intends to protect cell phone users from this kind of harmful mischief in the same way we protect consumers from 63 64 spoofing or voice caller ID. 65 Next, we will consider the LPTV and Translator Act of 2014, a discussion draft offered by Mr. Barton that addresses 66 how the FCC should treat low powered television stations and 67 television translators in the upcoming broadcast incentive 68 auction. The incentive auction was one of this Committee's 69

70 contributions to the Middle Class Tax Relief and Job Creation 71 Act of 2012, and offers broadcasters compensation for 72 relinquished spectrum to be used for other purposes. While 73 low powered stations and translators are not eligible to participate in the auction, this draft urges the FCC to 74 75 account for the value of LPTV and translators to communities 76 all across our country. Translators play an important role 77 for so many in the mountain west, including my own district 78 in eastern Oregon. I have long urged the Commission to keep 79 this value in mind when conducting the repacking analysis, 80 and was happy to work with Mr. Barton on the language on this 81 discussion draft. This draft would memorialize that 82 sentiment in law as well as allow LPTV and translator 83 licensees additional opportunities to petition the FCC to 84 stay on the air after the incentive auction process is 85 complete. 86 Finally, we will consider the E-LABEL Act, this 87 bipartisan, bi-cameral proposal is a commonsense piece of 88 legislation that brings outdated regulations in line with 89 consumer expectations. Currently, all equipment and devices 90 that are licensed by the FCC for radio frequency compliance

91 must have a physical label that shows the licensing 92 information. You will see it right there on the back of your 93 smart phone. The E-LABEL Act would allow manufacturers of 94 devices with screens like smart phones to display a digital label rather than the physical mark on the device itself. 95 96 Now, that makes it easier and less expensive to put a label 97 on your ever shrinking electronics. This legislation is 98 another example of bringing existing regulations in line with 99 modern technology by allowing digital labeling consumers and 100 regulators can still access important information easily 101 without the sometimes onerous requirements on manufacturers. 102 It reminds me of those labels on your mattress that says do 103 not remove this label under penalty of law. 104 Ms. {Eshoo.} Under penalty of law. 105 Mr. {Walden.} E-labels can provide more detailed 106 information. Did you ever cut them off, by the way? E-107 labels can provide more detailed information without the 108 space limitations of a physical label, as well as potential 109 cost savings as labels can become part of the code programmed 110 into a device, rather than etched into the external body of 111 the equipment.

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          I want to recognize the FCC for their work on this
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     issue, led by Commissioners O'Rielly and Rosenworcel. The
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     Commission issued guidance for manufacturers wishing to use
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     digital labeling for their devices, including guidelines for
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    how to properly display the information and how to educate
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     consumers on accessing the labels. I also commend my
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     colleagues, Representatives Latta and Welch, as well as
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     Senators Fischer and Rockefeller, for their bipartisan work
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     in this effort to streamline and modernize consumer
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    protection rules. More efficient government and regulation
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     for the innovation era is a goal of the Energy and Commerce
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     Committee, and one that our Subcommittee is clearly committed
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     to furthering.
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          So we look forward to the testimony of our witnesses,
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     and I yield back the balance of my time.
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          [The prepared statement of Mr. Walden follows:]
     ******* COMMITTEE INSERT ********
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         Mr. {Walden.} And now I recognize the gentlelady from
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    California, the Ranking Member of the Subcommittee, Ms.
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    Eshoo, for an opening statement.
         Ms. {Eshoo.} Thank you, Mr. Chairman. As you stopped,
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     I thought is he going to recognize me? And you did.
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    you.
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          Good morning, everyone. And welcome to our colleague,
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    Congresswoman Meng from New York. We are delighted that you
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    are here and proud of the work product that you have brought
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     forward.
          3670, the Anti-Spoofing Act of 2013, is a bipartisan
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    Bill, and it is aimed at reducing the number of fraudulent
    phone calls and text messages received by millions of
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    Americans. It is a very practical Bill. It is a Bill that
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     is really going to correct something that I think everyone in
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    the country wants corrected. So I really salute you for
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     coming up with something that is very practical.
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          Just this morning, NPR ran a story about a series of
     spoofing incidents in Maryland where people received calls
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    purported to be from the state police demanding payment for
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149 court or traffic fines. In--I mean, most people would just out of a little bit of fear and intimidation just pay 150 151 attention to it and, you know, these frauds would do very 152 well by their fraudulency with vulnerable people. So at a time in which unscrupulous behavior is on the rise, this pro-153 154 consumer Bill will better protect Americans from becoming 155 victims of scammers and deceitful telemarketers. And, again, 156 I commend Congresswoman Meng for her leadership and for 157 assembling a bipartisan group of cosponsors. That is the secret sauce around here. And I salute you for doing that, 158 couple with the endorsements from AARP, the major county 159 sheriff's association, the major cities, chief's association 160 161 and public knowledge, which is wonderful that public knowledge has endorsed the Bill as well. 162 163 And so, Mr. Chairman, I look forward to your calling 164 for--proceeding with a markup of this Bill, because it is an 165 excellent one. I am also pleased to support our colleague, 166 Mr. Latta's Bill, the E-LABEL Act. That too is a bipartisan 167 Bill. And he worked with our colleagues, Mr. Welch and Ms. Blackburn in introducing that earlier this week. You 168 explained what the E-labeling guidance issued by the FCC 169

170 earlier this month does. And to promote the electronic 171 labeling for FCC certified devices, phones, computers, smart 172 watches, this is only going to grow, this field. And this 173 needs an update. And I think it is an excellent one. 174 I have concerns with the LPTV and Translator 175 Preservation Act. Low powered television stations provide a 176 very important public service in communities around the 177 country, particularly in the rural America. And it is why as 178 part of the Spectrum and Public Safety Act of 2012 members 179 agreed on a bipartisan basis to preserve the spectrum usage rights of LPTV stations. But given the FCC new instructions 180 181 when they are well into the design and development of the 182 most complex spectrum auction ever conducted, I think would add unnecessary complexity, and it could dismantle--I am not 183 184 saying will, but could dismantle the carefully crafted balance on other issues of importance to the Subcommittee, 185 including maximizing both licensed and unlicensed. 186 187 So thank you, Mr. Chairman. And I am looking forward to 188 hearing the testimony of those that are here today, the 189 distinguished first panel and the second one. And I yield 190 the remainder of my time to Mr. Doyle.

193 Mr. {Doyle.} I want to thank my friend for yielding. 194 Mr. Chairman, thank you for this hearing today. And we look 195 forward to hearing from our colleagues. Mr. Chairman, I want to use this short amount of time I 196 197 have to just make some comments on the proposed Communication 198 Act update. This is something that I have been monitoring 199 with great interest, but also some concern. I know at this 200 point that majority staff has released a number of Brief 201 White Papers on spectrum competition and interconnection. I think these are important issues, and it is this 202 Subcommittee's duty and responsibility to address these 203 204 topics. But I would say to my friend that these updates won't move forward unless you start reaching out to members 205 206 and staff on our side of the aisle. These issues are real 207 that are at stake, and there is real opportunities to make 208 things better for the people of our country. 209 Mr. Chairman, I just want to use the opportunity to urge 210 you in the most friendly and kind way that we move forward 211 with the limited time in the session that we have over the next few months to engage our side in meaningful discussion 212

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          Mr. {Walden.} I appreciate the gentleman's comment,
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     would be happy to have that conversation with him at another
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     time.
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          Mr. {Doyle.} Great.
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          Mr. {Walden.} And now, all time has been expired, so--
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     on that side. Now, we go to--recognize Mr. Barton for five
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     minutes.
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          Mr. {Barton.} I don't think I will take five minutes,
     Mr. Chairman, but I do appreciate the opportunity.
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          There are two Bills that I have been actively engaged
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     with that are the subject of this markup today, HR 3670,
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     which is the Anti-Spoofing Act of 2014, and the Low Power TV
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     and Translator Preservation Act of 2014. Representative
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     Meng, who is sitting at the witness table, and I have been
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     working closely on HR 3670 to modernize the Truth in Caller
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     ID Act back in--of 2009 to include text messaging services,
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     IP enabled voice services and to hold foreign spoofing
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     services accountable to the law. Due to the many
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     conversations that we have had with various stakeholders, it
     would be my intention that this Bill does go to markup to
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238 offer an amendment in the nature of a substitute to address 239 some of the concerns that have come up in the stakeholder 240 discussions. 241 There have been a number of spoofing incidents this year 242 alone, one in Abilene, Texas, in my state, just last Friday 243 when a person pretended to work for a roofing company in 244 order to collect money up front from the customers that they 245 were calling. Another incident, just two weeks ago, involved 246 a Bank of America, and someone commented on the story that 247 they received text messages from what appeared to be the Bank 248 of America directing them to call a number concerning a 249 problem with an account--with their own account, only to 250 later realize that it was a scam. 251 The majority of the members of this Subcommittee, Mr. 252 Chairman, including yourself and Ms. Eshoo, have cosponsored 253 HR 3670. So this is a Bill that I think, to echo what Mr. 254 Doyle just commented on, does have bipartisan cooperation, 255 could move through the Committee to the floor and even 256 through the other body and to the desk of the President this 257 year. 258 On the Low Power Television and Translator Preservation

259 Act, it is--I am very quite frankly surprised on both sides of that one some of the strongest low powered TV advocates 260 261 are against this Bill because they think it doesn't do 262 anything. On the other side of the equation, there are people that think it goes too far and that somehow it would 263 264 impact in a negative way the pending auction. The truth of 265 the matter is that with your help, Mr. Chairman, I think we 266 have got it just right. It does give low powered TV license 267 holders increased moral standing, if nothing else, in their petitions before the FCC. But as you know and I know, under 268 current law, they don't have a quarantee. They have a 269 270 secondary license which can be revoked by the FCC. If this 271 Bill does become law, they will still have a secondary license. They will not have any guarantee. But they will 272 273 have the strength that -- again, if this were to become law, 274 that legislatively, the House and the Senate, as signed by 275 the President, wants the FCC to work with low powered TV 276 license holders to give them the best chance possible to 277 maintain the viability in the marketplace. On the lower power TV, Mr. Chairman, Bill, I've worked 278 with the National Association of Broadcasters, the Advanced 279

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Television Broadcast Alliance, the National Translators
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281
    Association, the National Religious Broadcasters. I have
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    also worked very extensively with you and your staff to
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    modify and to hopefully perfect this Bill. So I do hope, Mr.
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    Chairman, we have a good hearing. And I hope in the very
    near future we can go to markup on both of these Bills.
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          [The prepared statement of Mr. Barton follows:]
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Mr. {Walden.} I thank the gentleman who now yields to
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     the Vice-Chairman of the Committee, Mr. Latta.
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          Mr. {Latta.} Well, thank you very much for the
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     gentleman for yielding. And thank you very much, Mr.
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     Chairman, for holding this legislative hearing on these
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     important Bills today.
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          With the advancement of technology, businesses and
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     consumers alike have reaped tremendous benefits to ensure
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     that consumers continue to profit from groundbreaking
     applications and services, and businesses continue to find
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298
     opportunities for investment and growth. We need to make
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     sure our laws reflect the 21st century information and
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     communications technology marketplace.
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          This will not only help foster future innovation as the
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     E-LABEL Act promotes, but it also protects gains we have made
     with technologies currently employed today which the Anti-
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     Spoofing Act and the LPTV and Translator Act address. I look
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     forward to addressing and engaging in a closer examination on
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     each of these Bills.
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          And I thank the Chairman, and I yield back.
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Mr. {Walden.} The gentleman yields back the balance of
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311
    his time. And I think now we go to--who on your side would
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     like--would recognize for Mr. Waxman's time? Mr. Welch, do
    you seek any time? Mr. Doyle, any further time?
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314
         Mr. {Doyle.} I don't.
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         Mr. {Walden.} Ms. Eshoo?
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         Mr. {Doyle.} Let us get to our witnesses.
317
         Mr. {Walden.} Yeah. Okay.
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         Ms. {Eshoo.} Good move.
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         Mr. {Walden.} I like the way you think. I think we are
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     okay on our side, right? Because we have done both. So at
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     this point now, we will go--oh, look who showed up at the
322
    witness table? It is a two-fer. A Latta two-fer. We are
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     delighted to have both of our colleagues here today, and
     appreciate the good work that you have both done on these and
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     other pieces of legislation. And so with that, we will go to
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    panel one. And we will recognize the gentleman from Ohio,
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    Mr. Latta, to open. And then we will go to Ms. Meng as well.
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^STATEMENTS OF HON. BOB LATTA, A REPRESENTATIVE IN CONGRESS
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     FROM THE STATE OF OHIO; AND HON. GRACE MENG, A REPRESENTATIVE
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     IN CONGRESS FROM THE STATE OF NEW YORK
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     ^STATEMENT OF HON. BOB LATTA
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         Mr. {Latta.} Well, thank you very much, Mr. Chairman.
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    And I greatly appreciate the opportunity to give testimony on
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     the legislation today. I also want to thank the Ranking
    Member Eshoo and all the other members of the Subcommittee
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336
     today. I appreciate the opportunity to present testimony on
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     the bipartisan E-LABEL Act.
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          The Federal Communications Commission has instituted an
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     equipment authorization program where electronic devices are
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     required to display a physical label documenting that it has
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    been properly certified by the commission for commercial use.
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     The label is also intended to provide consumers with means to
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     readily obtain additional information about the device as
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     efficiently as possible. While the information contained on
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     the label serves as an important function, it extends
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346 meaningful benefits and protections to consumers. The time 347 has come for the Commission to update its rules to reflect 348 modern technology and modify its equipment identification 349 requirements to permit electronic labeling or E-labeling for wireless devices. 350 351 The current rule requiring physical labeling was adopted 352 by the FCC back in the 1970s. The Commission revisited that 353 rule in the late 1980s. And while it eliminated some 354 labeling requirements, the technological capability of 355 wireless devices at the time was admittedly not able to fully 356 support an equipment authorization standard or other than the 357 existing physical labeling system. 358 As we all know, technology, especially in the wireless 359 market, has advanced significantly since that time. And 360 wireless devices are today equipped with numerous 361 functionalities. They are without question able to support 362 the modernized equipment authorization standard of E-labeling 363 if given the option. Permitting E-labeling would not only 364 facilitate efforts to bring our communication laws in line with 21st century technologies, but it would also benefit 365 366 both manufacturers and consumers.

367 Manufacturers have increased flexibility to design innovative products that consumers demand. It would also 368 369 reduce device manufacture development cost. According to the 370 Telecommunications Industry Association, E-labeling could result in over 80 million in saving per year for companies. 371 372 Consumers in my state of Ohio and across the country would 373 also benefit from the efficiencies created by E-labeling. E-374 labeling can expand consumer access to relevant device 375 information, and enhance the overall quality and availability 376 of equipment identification records through supporting 377 software. The FCC recently released guidance on E-labeling. I 378 379 welcome the FCC's efforts on this issue and recognize it as an important first step in promoting the use of E-labels. 380 381 The E-LABEL Act will facilitate efforts at the Commission by 382 establishing a timeframe for moving forward with a 383 rulemaking. This will ensure that the Commission takes 384 timely action on this issue and resolves any uncertainty that 385 manufacturers might have in opting to use E-labels. We are in the midst of an innovation era where new and 386 groundbreaking technologies and devices are introduced into 387

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388
     the information communications technology marketplace almost
389
     daily. Our laws need to reflect this reality.
          I thank Congressman Welch, Congresswoman Blackburn and
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    Ranking Woman Eshoo for their support on this measure. I
     thank Chairman Walden again for the opportunity to present
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393
     the testimony today on E-LABEL ACT and advance efforts to
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    modernize our communication laws for the digital age. And I
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    thank the Chairman again.
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          [The prepared statement of Mr. Latta follows:]
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398 Mr. {Walden.} I thank the gentleman for this testimony.
399 And now we will go to the gentlelady from New York, Ms. Meng,
400 for her testimony on this legislation. We appreciate your
401 bringing this forward to us. And please go ahead.

402 ^STATEMENT OF HON. GRACE MENG

Ms. {Meng.} Chairman Walden, Ranking Member Eshoo and 403 members of the Subcommittee, thank you for holding this 404 hearing on my Bill, HR 3670, the Anti-Spoofing Act, which I 405 406 sponsored along with Mr. Barton, Mr. Lance and seven other 407 Republican and seven Democratic members of this Subcommittee. 408 I also thank you for inviting me to discuss the Bill today. 409 It is a great honor to appear before such an esteemed panel. 410 We address today the problem of caller ID spoofing, which is the scrambling of caller identification numbers. It 411 412 is a tool often used to defraud unwitting recipients of phone 413 calls and text messages. 414 It is often stated that the measure of a society is how 415 it treats its most vulnerable. Almost every day, I receive 416 new reports of caller ID spoofing that harms the most vulnerable in our society. We have reports of widespread 417 418 caller ID spoofing of new immigrants, which is why USCIS 419 recently issued a former scam alert on caller ID spoofing. And we have reports of widespread targeting of seniors, which 420

421 is why the AARP wrote a letter in support of this legislation. Veterans are primary targets as well. 422 423 Caller ID spoofing is also fracturing the trust built between communities and local law enforcement, because 424 scammers are falsely using police department's phone numbers 425 426 to trick residents, as we recently heard today. For this 427 reason, the major city's chief's association and major county 428 sheriff's association have endorsed this legislation. 429 I even saw the Chicago Tribune reported on Monday that the families of the unaccompanied minors at the border are 430 being targeted by caller ID spoofing. I mention this not to 431 432 wade into the border security debate, but rather to 433 underscore the point that if there is a vulnerable or weak population among us, it is likely they are being targeted by 434 435 caller ID spoofing. Shortly after entering Congress, I pursued this issue 436 437 because of complaints from a local civic organization and 438 seniors in my district. But I quickly realized it is 439 affecting Americans in all corners of our country in all of 440 our districts. This past tax season, a huge scam was revealed whereby caller ID spoofing was used to dupe tens of 441

442 thousands of Americans nationwide into thinking they were being contacted by the IRS, which they were not. 443 444 I have had very good conversations with many of you on the Subcommittee about pervasive caller ID spoofing in your 445 own districts. And I think the fact that this is playing in 446 447 so many of our communities is a big reason why we have so 448 much bipartisan support here today. 449 HR 3670 is an update to the Truth in Caller ID Act of 450 2009. That legislation first criminalized malicious caller 451 ID spoofing. But since the passage of that law, scammers have used legal loopholes and new technologies to circumvent 452 453 it. Thus, malicious caller ID spoofing is on the rapid rise 454 again. So it is time to strengthen and tighten existing law 455 and shut down the roots by which it is being circumvented. 456 And that is what our Bill does. 457 There are three main parts to HR 3670, and I will review them briefly now. Number one, the Bill broadens current law 458 459 to prohibit caller ID spoofing from foreigners. This is 460 crucial because U.S. based companies now spoof calls to U.S.

residents with intent to do harm but originate such calls

from outside of the United States. Two, the Bill broadens

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463 current law to include new Internet based voice over IP services that enable callers to make outgoing only calls from 464 computers and tablets to mobile and landline phones. This is 465 a technology that was undeveloped in 2009 when the Truth in 466 Caller ID Act was adopted, and therefore unaccounted for in 467 468 that law. But it has now grown and has contributed 469 significantly to the caller ID spoofing problem. Three, 470 finally, our Bill broadens current law to include text 471 messaging. We all know this technology has developed, and we 472 thus see text message caller ID spoofing with increasing 473 regularity. 474 I also just want to note that current law and HR 3670 only pertain to caller ID spoofing with intent to defraud or 475 cause harm. Sometimes caller ID spoofing can be applied 476 beneficially and benignly, and we have taken great care to 477 478 exclude such cases from the legislation. 479 In closing, I would like to once again thank the 480 Committee for considering this legislation and for giving the 481 time of day to a freshman who is not a member of the 482 Committee. This process has been a wonderful and inspiring 483 experience for me to take a problem I heard from my

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     constituents and work through the legislative process in such
     a positive and bipartisan way--fashion to try and solve that
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    problem. I would especially like to thank Mr. Barton and Mr.
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     Lance for working with me to write this Bill, Chairman Walden
     and Ranking Member Eshoo for all their guidance, leadership
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     and support, and all the Subcommittee cosponsors who were
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     instrumental in bringing about consideration of this Bill.
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          I would like to thank the witnesses who came to speak
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     today, and of course the Committee and personal staffs who
493
    have done such terrific work here. I look forward to
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     continuing to work with the Committee on this issue and
495
     legislation.
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          I thank you again, Mr. Chairman.
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          [The prepared statement of Ms. Meng follows:]
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          Mr. {Walden.} Ms. Meng, thank you for bringing this to
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     our attention and working with our committees and our staffs
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     on both sides of the aisle to move good public policy
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     forward, and we appreciate what you have done.
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          We want to thank you both for being here. We actually
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     won't grill you. That is our normal procedure to let members
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     come and make their case and depart. So thank you for being
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    here, and thanks for bringing this to us.
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          We will now move on to the second panel while you two
     depart. Mr. Louis Libin, did I say that correctly?
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509
          Mr. {Libin.} Yes.
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          Mr. {Walden.} Thank you. Executive Vice President,
    Advanced Television Broadcast Alliance, and Mr. Harold Feld,
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512
     Senior Vice President, Public Knowledge. We welcome both of
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     you gentlemen here to testify this morning. And just bring
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     those microphones close to--uncomfortably close. That is
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     kind of how they work. And push the button. And, Mr. Libin,
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    we will start with you. And thanks again for being here.
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^STATEMENTS OF MR. LOUIS LIBIN, EXECUTIVE VICE PRESIDENT,
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518
     ADVANCED TELEVISION BROADCAST ALLIANCE; AND MR. HAROLD FELD,
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     SENIOR VICE PRESIDENT, PUBLIC KNOWLEDGE
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     ^STATEMENT OF MR. LOUIS LIBIN
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          Mr. {Libin.} Chairman Walden and Ranking Member Eshoo
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     and distinguished members of the Subcommittee, my name is
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     Louis Libin. I am the Executive Director of the Advanced
     Television Broadcasting Alliance, which is comprised of
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     hundreds of low powered television, or LPTV, broadcasters and
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     owners and operators of translators. Thank you very much for
     the opportunity to testify regarding the impact of the
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     planned broadcast incentive auctions on LTV--LPTV stations,
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     translators and boosters. In particular, I appreciate the
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     efforts of Chairman Barton to develop the LPTV and Translator
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     Preservation Act, which will require the FCC to consider the
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     great benefits of LPTV and translator stations, rather than
     indiscriminately eliminating their licenses without any
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534
     consideration of the value these stations provide to
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535 underserved communities. 536 LPTV service was created to enhance diversity by allowing more unique voices to provide free, over the air 537 television service. LPTV stations address the needs of 538 539 minorities, women, ethnic communities, the elderly, children 540 and other underserved populations. They also broadcast in 541 rural areas where full power stations sometimes are not 542 commercially viable. Translators extend the reach of 543 broadcast stations into isolated areas. More than 5,000 LPTV 544 stations and translators serve tens of millions of Americans. 545 In many places, these stations are the only broadcast 546 television service available, and they often provide 547 communities their only access to the affiliates of major broadcasting networks. Many translators were built and are 548 549 operated by local communities to bring broadcast television 550 to their citizens. 551 A third or more of the LPTV and translator stations are 552 now at risk of being shut down by the FCC as it conducts the 553 incentive auction. As you know, the 2012 Congress authorized 554 the FCC to conduct an incentive auction of broadcast spectrum. The 2012 Spectrum Act expressed a fundamental 555

556 principle about spectrum use that spectrum allocation should reflect market demand. Unfortunately, the FCC's auction plan 557 does not reflect this core principle. The FCC gives no 558 559 consideration at all to the value of the service provided by LPTV and translator stations. 560 561 Because the FCC does not have to share proceeds of the 562 auction with LPTV or translator stations, those stations are 563 simply free spectrum in the eyes of the FCC. From the 564 perspective of the auction itself, there is no cost to 565 eliminating LPTV and translator service. Under the FCC's auction rules, the FCC could cancel hundreds or even 566 567 thousands of LPTV and translator licenses, even if doing so would not generate a single dollar in additional revenue for 568 the auction. The FCC could eliminate LPTV and translator 569 570 stations just for the sake of running the auction faster or with less precise calculations, or for the sake of completing 571 572 the auction in less than half the 10 years Congress 573 authorized. And that is exactly what the FCC is doing. It 574 has adopted rules that run the auction at breakneck speed, with literally no consideration at all of the impact on 575 576 citizens served by LPTV and translator services.

577 This is not a market mechanism. It is a pointless, tragic destruction of value, jobs, diversity, localism and 578 579 rural service. The FCC could shut down thousands of LPTV and translator stations to give wireless carrier spectrum in 580 rural areas that they do not need, and likely will never use. 581 582 The FCC's incentive auction order also treats low powered 583 television stations as secondary, even to unlicensed 584 services. Congress did not authorize the FCC to elevate 585 unlicensed services over licensed LPTV and translator services. While the economic costs of the FCC's approach 586 will be born most directly by the licensees, the public 587 588 served by these critical facilities is the big loser. The TV 589 stations that air local high school football games, provide ethnic and foreign language programming, provide church 590 591 services and weather alerts, and bring network programming 592 into rural areas that are already underserved will all be 593 gone without any consideration of the value lost to millions 594 of Americans, and regardless of whether market--whether the 595 market actually demands additional wireless spectrum in those 596 areas.

While LPTV and translator operators and their audiences

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Mr. {Walden.} Mr. Libin, thank you. And go ahead and turn off that microphone. We appreciate your being here. We appreciate the--your testimony on this important matter.

Mr. Feld, we welcome you to this discussion. Please go ahead.
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610 ^STATEMENT OF HAROLD FELD 611 Mr. {Feld.} Thank you, Chairman Walden and Ranking Member Eshoo. Thank you very much for inviting me to testify 612 613 today. 614 I want to start by voicing my strong support for both 615 the Anti-Spoofing Act and the E-LABEL Act. These Bills 616 provide necessary updates the Communications Act, and Public 617 Knowledge supports their swift consideration and passage. But while I agree with the principles behind the LPTV 618 619 and Translator Act, I strongly recommend against consideration of this Bill. Consideration of this Bill 620 creates needless uncertainty and delay around the broadcast 621 622 incentive auction. I say needless because the FCC is already 623 committed to doing precisely what this Bill tells it to do. 624 As I have said many times over the last four years, and as 625 you have heard from others, the broadcast incentive auction 626 poses enormous challenges for the FCC. The difference in complexity between the incentive auction and the first 627 spectrum auctions conducted by the FCC in 1994 is like the 628

629 difference between the cell phones of 1994 and the smart phones of today. But instead of the gradual evolution over 630 631 20 years we had in phone technology, we are asking the FCC to jump from the auction equivalent of a brick phone to the 632 auction equivalent of an iPhone. 633 634 Adopting this Bill will create new delay at a time when 635 the auction framework finally appears to be coming together. 636 After nearly two years of contentious debate involving some 637 of the most renowned spectrum auction experts in the world, hundreds of engineers and thousands of stakeholders, the FCC 638 adopted a framework for the auction in May. While much work 639 640 remains to be done, we have reached the point where the FCC 641 can set a timeline for the remainder of the process, and 642 stakeholders can have confidence the auction will take place. 643 Importantly, the FCC can begin building the entirely new 644 auction software and hardware needed to make all the many 645 pieces of this auction work together in real-time. But we 646 can only move forward from here if all stakeholders have 647 confidence that the framework adopted in May is a stable foundation on which to build, which brings me back to the 648 649 LPTV Bill. Despite efforts to limit the Bill's scope,

650 questions will reverberate throughout all aspects of the Imagine a row of wine glasses packed tightly 651 auction. 652 together. Tap one, and the rest start to hum as the vibrations ripple out. So to, implementation of the LPTV Act 653 would reverberate through the entire auction framework. For 654 655 example, the FCC will need to consider whether the Bill's 656 command to avoid terminations of LPTV and TV translator 657 license where possible impacts the auction and repacking 658 design, or whether reduction in projected revenue would be an adverse impact on the auction. These questions implicate the 659 repacking as a whole, the band planned, and nearly every 660 661 other key element of the auction design everyone thought we already settled. Work on the new auction software and 662 hardware will slow or stop entirely until these questions can 663 be settled again. 664 665 And what is the urgent need that justifies this new 666 delay and uncertainty? At the moment, none. The FCC is 667 already committed to doing precisely what the Bill requires. As part of the framework adopted in May, the FCC explicitly 668 recognized the importance of LPTV and TV translator services, 669 and committed to completing a further notice of proposed 670

671 rulemaking to ameliorate the impacts of the auction. that the FCC appears to be on the right course, there seems 672 no reason to introduce new potential devastating, uncertainty 673 674 and delay. 675 To conclude, the importance of localism and diversity in 676 broadcasting is a value that no one questions. Localism and 677 diversity have been the fundamental foundation of our 678 national broadcast policies since Congress passed the Federal 679 Radio Act in 1927. LPTV and TV translator licensees are important parts of that ecosystem, as the FCC continues to 680 681 recognize. No one wants to eliminate licensees providing 682 valuable services to their local communities. I may add that just last week before this Bill was introduced, I and other 683 members of the public interest spectrum coalition were 684 present at a meeting with the FCC staff, and we once again 685 686 urged the FCC to consider means to allow LPTVs to transition 687 smoothly, including voluntary reduction in power, precisely 688 the mechanism that the Bill recommends. 689 There is broad support for continuing service of LPTVs and translators, consistent with the direction that Congress 690 gave to the Commission in the Spectrum Act of 2012. Passing 691

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new legislation, even if it is only intended to reinforce

what the FCC is already committing to do, will reintroduce

new uncertainty and delay at precisely the wrong time.

Thank you. And I look forward to your questions.

[The prepared statement of Mr. Feld follows:]
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698 Mr. {Walden.} Thank you, Mr. Feld. You have far more 699 confidence in the FCC than I do. But then I understand why. 700 Let us--I want to ask a couple of questions, because this really matters to the public, to consumers in districts 701 702 like mine, all across--not only in rural areas, but urban 703 areas. And I have met with a lot of these folks who have 704 LPTV and low power. They serve minority populations in many 705 cases with specialty programming. And my message here, and I 706 think it is shared by Mr. Barton, is I don't want a runaway FCC that simply squishes them because they can and takes them 707 708 out. I am also not going to give them full power authority, 709 because they didn't have that to begin with. But I think you 710 are over the top in terms of kind of this notion you are 711 going to blow up the whole auction, because you actually 712 admit that the FCC is headed down this path anyway. I am 713 reinforcing that. I was hoping to have a lot more faith in 714 this FCC. But I am seeing some really bad behavior from the 715 top down where Republican commissioners are kept out of the 716 loop, where there is a process failure. I don't think this hearing is going to get into this. But I just think you are 717

718 over the top, and I am just going to tell you that. 719 In places like my district, these translators are really 720 important. They really are. And I want to send a clear 721 message without screwing up the auction that they need to be 722 thoughtful about this, whether it is in a rural area or an 723 urban area. There are a lot of people served. And you can 724 have a band plan that squishes out just for the sake of 725 getting more spectrum available for the big companies that 726 want to buy it. And I think we have got to be thoughtful 727 about the public spectrum and how it is used and how it is allocated. 728 729 Now, Mr. Libin, a number of your colleagues in the LPTV 730 community have also expressed opposition to this Bill, I 731 think for other reasons, and have suggested they would rather have no Bill than this Bill. Could you explain why some LPTV 732 733 providers feel this way? 734 Mr. {Libin.} I think that they are concerned that by 735 opening this door it is going to bring discussions on LPTV 736 and the auction and take it in places back to the FCC where 737 it may not have the conclusions that they want. For example, there is an NPRM, a -- a Notice of Proposed Rulemaking on LPTV 738

- 739 coming up. But that is really just a mechanism to talk about
- 740 how essentially the FCC has plans to shut down these
- 741 stations. It is surely not a mechanism to help LPTV. The
- 742 LPTV industry I have to tell you is very different than the
- 743 big broadcast industry. I--actually, I come from NBC. I am
- 744 used to coming with big contingencies. The LPTV industry is
- 745 an industry of typically mom and pops. They are small
- 746 businesses. Not that they don't employ people. They all
- 747 employ a lot of people.
- 748 Mr. {Walden.} Right.
- 749 Mr. {Libin.} We are not talking about eliminating
- 750 thousands. It is still a lot of people. But this is the
- 751 other--essentially, there may not be unity in the community,
- 752 but it is becoming--
- 753 Mr. {Walden.} We are aware of that.
- 754 Mr. {Libin.} But it is becoming more and more. I
- 755 believe that the industry is tightening up. I mean, you can
- 756 see just in the past few months, we now have the NAB is our
- 757 partner, and we have the National Translator Association.
- 758 And we are working with the NRB. So I think we are really
- 759 finding the commonality that we need. But it is a small

- 760 industry.
- 761 Mr. {Walden.} Okay. That is the only questions I have.
- 762 I will now yield back the balance of my time, recognize my
- 763 friend from California, Ms. Eshoo.
- 764 Ms. {Eshoo.} Thank you, Mr. Chairman. And thank you to
- 765 both Mr. Libin and Mr. Feld.
- It seems to me I think I probably have more an
- 767 observation after listening to the testimony and, of course,
- 768 reading the--you know, the staff memo that there are some
- 769 issues to be dealt with here. And I think it is a question
- 770 of how it is done. I think it is a question of how it is
- 771 done and how we thread the needle.
- 772 We had a chance to chat before as I came into the
- 773 hearing room a little earlier this morning. And you were
- 774 talking about rural areas and then said the Bay Area. The
- 775 Bay Area doesn't have a lot of rural areas, but it does have
- 776 some. And I asked you what you were referring to.
- 777 Mr. {Libin.} The South City.
- 778 Ms. {Eshoo.} What you were referring to is not rural.
- 779 It is a heavily populated area. It is the northern part of
- 780 San Mateo County, the county that I live in, just outside the

781 city and county of San Francisco and very close to San 782 Francisco International Airport. And there--it is the 783 largest Filipino-American community outside of the 784 Philippines that resides in that area. So there are issues here and communities of interest that we need to look after. 785 786 We are not looking to do something where there would be a 787 loss of jobs or, very importantly, the communications that 788 these communities of interest rely on. 789 I don't think you have a case for completely rewriting 790 the whole thing, to tell you the truth. And--but I do think 791 that we need to work so that what I just mentioned and--or 792 outlined as to the Chairman that we thread this needle so 793 that those two elements are not disrupted. I appreciate Mr. 794 Feld's testimony. I love it when people come here and feel 795 strongly about things. I really do, even when I disagree with them. I mean, it is the place to do that. 796 And so I thank you for that. I do have the concern 797 798 that, you know, we are what, now almost two years into the 799 planning for the auction -- for the spectrum auction? And it 800 is the first time in the history of our country--actually, in 801 the world that this kind of auction is going to take place.

802 So we are not -- none of us want to throw sand in the gears. 803 And I think that is what you are talking about. And the 804 Chairman has -- he has his misgivings about the agency and its 805 jurisdictions and how they do things. I have I think more confidence than he does. But be that as it may, I don't want 806 807 anyone squashed in this either, because I think we need to 808 look after these important communities in our country. So I 809 think more than anything else that we have got some work to 810 do to refine this. 811 I really don't have questions to ask you. I think the Chairman already asked you, Mr. Libin, what I was going to 812 813 ask. And, Mr. Feld, thank you for being here and for what 814 you have focused on. And you always come here with a lot of passion. And I love that. I love it. So I think that we 815 816 have some work to do together on this to help resolve some of 817 the issues that the -- we not throw sand in the gears relative 818 to the auction, but that we recognize that there are 819 communities of interest that are really reliant on this. And I don't think, Mr. Libin, you are going to get everything you 820 821 want. But you know what? No one does around here. So if we 822 can resolve it the way I think we're both describing it, then

823 we will have accomplished something. 824 I yield back. 825 Mr. {Walden.} The gentlelady yields back the balance of her time. I turn now to the Former Chairman of the 826 Committee, Mr. Barton, for five minutes. 827 828 Mr. {Barton.} Well, thank you. And I appreciate the 829 testimony of both of you gentlemen. I appreciate the 830 comments of Ms. Eshoo and our Chairman. 831 I am going to go back to the story of Goldilocks and the Three Bears. There are probably some of the younger people 832 833 don't get those stories anymore, but I am of an age that I 834 remember those when I was a child. And there were three bowls of porridge. And one bowl was way too hot, and so one 835 of the bears says it is too hot. And another bowl was way 836 837 too cold, and the second bear said well, it is too cold. But 838 then the third bowl, the middle bear said it is just right. 839 Now, our Bill that is three pages -- three pages -- really 840 just two pages. I am going to read the relevant portion, 841 because this is one of these things that average people, and even members of Congress, can actually understand, you know? 842 It is low powered television translator and television 843

844 booster stations, A, in general--now this is for the people that says it is too cold. Okay? Nothing in this subsection 845 846 shall be construed to alter the spectrum usage rights of low power television stations, television translator stations or 847 television booster stations shall be construed to alter the 848 849 spectrum usage rights. This Bill doesn't give them any new 850 rights. Okay? It doesn't give them any new rights. 851 Now, B, preservation. And here the keyword is the third 852 word, the Commission shall, s-h-a-l-l, shall, s-h-a-l-l, shall, one, in general, consider the benefits of low power 853 television stations, television translator stations and 854 855 television booster stations to the communities of license of such stations consider the benefits. So it says the FCC has 856 to consider the benefits. Two, where possible, avoid the 857 858 termination of the low power television station, television 859 translator station or television booster station as along as 860 such avoidance does not adversely impact the reverse auction 861 under Subsection A(1) or the forward auction under Subsection 862 C(1). And, three, after the completion of the reassignments and reallocations under paragraph 1(b), permit any low power 863 television station, television translator station or 864

865 television booster station to request to--here, request to operate at reduced power or from a different transmitter 866 location consistent with the Commission's rules of such 867 868 station or otherwise lose its license as a result of such 869 reassignment or reallocation. 870 So what this does, it says the FCC shall, if possible, 871 preserve the termination of the low power television station. 872 So it does give increased standing. But that is all. 873 FCC still can make the decision, and it cannot impact the 874 reverse auction. You know, Section A guarantees that. So with all due respect to Mr. Feld, I think this Bill is just 875 876 right. It really--it elevates low power television's 877 standing before the FCC. They have to consider these things. But once they have considered them, you know, they can't let 878 it adversely impact the auction, and they go forward. So, 879 880 you know, this is one of those Bills where it is funny to see 881 some people in the industry itself saying oh, this thing doesn't do anything, doesn't go far enough. Well, you can't 882 883 give a right that they don't have now. But on the other hand, to have Mr. Feld and his folks oh, it is going to hold 884 up the auction. Oh, my God, you know? Well, what the hay? 885

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     It just says they have to consider these things.
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          Mr. {Walden.} Would the gentleman yield?
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          Mr. {Barton.} I would be happy to yield.
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          Mr. {Walden.} I think the last part is also really
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     important. It says if after all--everything is said and done
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     after the auction, if there is another way for them to
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     survive, they should have the right to apply for that,
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     different location, different power, different whatever. And
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     I think that is the survival lifeline.
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          Mr. {Barton.} Yeah. So, you know, every now and then,
     Congress breaks out in commonsense. This is a commonsense
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897
    Bill. It really is. Now, my good friend, Anna Eshoo, if she
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    has really got concerns about this, let me know. We will
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    work with you. But these stations have real value. But
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    under the current law, it is not considered. And instead of
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     just letting the FCC do whatever the heck they want, this
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    Bill at least says hey, you have got to consider these
     things. And I think that is fair. I think it is the right
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904
     thing to do. And I think it will result in a better process.
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    As Mr. Libin pointed out, you know, why should you give an
    unlicensed operator operating a wide space more authority
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907 than somebody who at least has a secondary license? This 908 Bill does that. And I hope we can pass it on a bipartisan 909 basis. 910 Thank you for the courtesy. 911 Mr. {Walden.} Thanks for working with us. And we 912 appreciate your patience and your involvement in this issue. 913 It is very important. I now turn to the gentleman from Iowa, 914 Mr. Braley. 915 Mr. {Braley.} Thank you, Mr. Chairman. I could have sworn, Mr. Chairman, that Mr. Barton was going in another 916 direction with that fairy tale. I thought it was going to be 917 918 Little Red Riding Hood. And I was just waiting for whom the 919 big bad wolf was going to be, so I feel somewhat let down. 920 Mr. {Walden.} That is--921 Mr. {Barton.} I am saving that for Full Committee. 922 Mr. {Braley.} But I think as we talk about these 923 issues, which are important issues, it is also important to 924 look back over the history of telecommunications. Because it 925 is not the LPTV stations, but the UHF stations that have served a more limited audience in remote areas of the country 926

often were in the vanguard of some of the innovation and

927

928 technology in the industry. I happen to represent a UHF station in Dubuque, Iowa, which was in the vanguard of cable 929 930 television because it was located on the bluffs of the 931 Mississippi River. They had a hard time getting over the air signals from more conventional VHF stations. And through the 932 933 work that was done there decades ago, the basic foundation 934 for what we now know as cable television started a merge in 935 communities around the country. And since this spectrum is 936 held in the public interest, I think it is important for us 937 to keep that focus on those who have gone before and have led us down paths of innovation that provide the incredible array 938 939 of services we now get over the spectrum. 940 So I guess for the panel, my question for you both is in 941 light of some of the comments that have been made here today, 942 in light of how people are served across the country through these current LPTV stations, what are the biggest risks and 943 944 the biggest rewards you see from moving forward with the 945 legislation as it is currently drafted? Mr. {Feld.} Well, first, I would just like to address 946 one misconception that I have now heard a couple of times, 947 which is with regard to the relationship between LPTVs and 948

949 unlicensed. It is important to realize that what the Commission has done is tried to balance things. And in fact, 950 951 what the Commission did was to sort of merge wireless 952 microphones, which are another secondary wireless service associated with broadcasting, and regarded as critical with 953 954 broadcasting, with the unlicensed and say these are smaller 955 transmitters, they operated in a way that is consistent with 956 each other, we will have them share some space. And then 957 over here, with the larger fixed transmitters, the LPTV and the translators, we will have a different question as to how 958 we try to fit them in the intricacies of the repacking. So 959 this is not--the FCC was very careful to not revisit its 960 961 existing hierarchy. But what it has done is what Congress has directed it to do, which is balance many interests. In 962 963 that light, I think that there is a tremendous opportunity here for the LPTV service as part of this transition to the--964 through the incentive auction. It is true that the LPTV 965 966 service has fallen on very hard times for a number of 967 reasons, many of which are not related to the incentive auction but have to do with the digital transition, with the 968 969 fact that they do not have must-carry rights on cable.

970 used to work with this community a lot some years ago when I 971 was a media access project. My hope has been, and we have 972 expressed it at every opportunity in our filings at the FCC, 973 is that this is an opportunity for the Commission to recognize and reward those licensees that are providing local 974 975 service, contributing to diversity, satisfying the public 976 interest and upholding those traditions of trustees of the 977 public airwaves while simultaneously examining those bad 978 actors in the field who are, you know, speculators or who 979 were not serious, or who for reasons totally unrelated to the incentive auction have essentially gone dark but still hold 980 981 permits in the hopes that someday they will be able to come 982 back again. And I think that the advantage and disadvantage of this process is it is really going to help separate the 983 984 genuine service to local communities and hopefully, you know, 985 shine a spotlight on those and reinvigorate those, while also 986 maximizing spectrum efficiency overall. 987 Mr. {Libin.} Thank you so much. I have to try to come back to the question that you had, which I--and I think the 988 989 question really was who will be impacted. And it is a great 990 question. And that is -- if I knew that answer, then I would

991 right now be sitting in the -- at the FCC, because I think they 992 are the only ones who know. If you ask me how many--who 993 would be hurt, which LPTV and TV translator stations -- well, 994 not just stations but they could actually impact through a chain reaction through translators, because that is how they 995 996 work. So how many? So the answer is, it is hundreds of 997 thousands, or thousands. And it really turns out to be an 998 amazing--nobody really knows. That is really the whole 999 point. 1000 We are looking for transparency here. We are really 1001 trying to understand. We don't. If you ask me right now do we want to slow down the auction? Do I want to stop it? The 1002 1003 answer is absolutely not. We want this to go forward. We 1004 think this is in the best interest of America. But we want 1005 to do it right. We want to make sure that everything we are 1006 doing won't be held up, just--you know, I could just examples 1007 of health. I am not going there. But we all know that we 1008 want to do right. This is a major deal. 1009 We are 2 and a half years into a 10 year process. We 1010 are not rushed. Let us get it right. Let us get it really 1011 done right. If we look at who is going to be hurt, if you

1012 look at the ownership of LPTV and translator stations, it is 1013 somewhat close to 30 percent is minority and women ownership. 1014 If you look at if we call it the other broadcasters and 1015 cable, it is -- I think it is less than three percent. Those 1016 are the people that would be hurt. It is the people who are-1017 -whether they are sitting in Oregon or sitting in Youngstown, 1018 Iowa, or--and this is the only way they receive you, or in 1019 Utah and wherever they are. There are so many of these 1020 stations and so many people who rely on this service that I 1021 think we just need to tread very lightly when we are 1022 considering moving ahead with the auction. We need to 1023 consider LPTV and TV translators. 1024 Thank you so much. 1025 Mr. {Feld.} Thank you, and I yield back. 1026 Mr. {Walden.} Thank the gentlemen. We will now recognize Mr. Latta for five minutes. 1027 1028 Mr. {Latta.} Well, thank you very much, Mr. Chairman. 1029 And again, thanks for our witnesses for testifying for us today. And this, you know, is a very good discussion we are 1030 1031 having here, because I know the question that the Chairman brought--asked, you know, why are some people against the 1032

1033 Bill? Ranking Member Eshoo was talking about that, you know, 1034 we are not always talking about rural areas, but, you know, 1035 it is areas that are impacted that have certain minority 1036 populations that could be hit. My friend from Iowa, Mr. 1037 Braley, was asking a question about who is going to be 1038 impacted. 1039 But, Mr. Libin, let me ask you this, because again I 1040 represent kind of a unique area. It goes from very, very 1041 rural to almost into parts of a large city. And when you are 1042 looking at all these questions that have been asked so far by 1043 members of the Committee, I guess the question is if we have-1044 --he FCC is not mindful of these LPTVs and the translator 1045 stations throughout the spectrum auction and shut them down, 1046 will you have rural consumers, or as the Ranking Member 1047 mentioned in larger cities that you have certain minorities 1048 that might be impacted with that, what are the options that 1049 these individuals are going to have out there from the rural 1050 or to the city if this has happened that they wouldn't have 1051 these LPTVs? 1052 Mr. {Libin.} I think that is a great question. When we talk about diverse, diverse is -- we are talking about 1053

1054 financial as well. And there aren't always options. There 1055 are many options that all America -- or a typical America could 1056 have when it comes to whether it is entertainment or news, or 1057 wondering if that there is a tornado warning is coming and 1058 how am I going to get that. Well, if they don't have this 1059 free over the air coming to them, and a lot of people this is 1060 the way they do have it now, they are not going to know. 1061 They are not going to know what is happening in their 1062 community. They are not going to know what is happening 1063 nationwide. But especially local, they are not going to 1064 know, aside from I mentioned high school football and all of that. But it really has to do with life and public safety. 1065 1066 This is their lifeline for many, many people. 1067 And it is so interesting I brought up the Youngstown, 1068 Iowa before, because there are a number of LPTVs over there 1069 as well. But going back to when I was mentioning in the Bay 1070 Area, so--and you brought up the opposition to LPTV, you 1071 know, it really is like a chess game, because in the Bay 1072 Area, we were talking about the language that they were 1073 speaking from the Philippines was Tagalong. I think I 1074 pronounced that right. Was that correct?

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          Ms. {Eshoo.} Tagalog.
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          Mr. {Libin.} Tagalog. This language that they do. But
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      there is also Vietnamese and Mandarin. And they are all
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      intertwined in that area. And these LPTV and translator
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     stations are put like chess pieces there. So you are
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     correct. If somebody now says wait a second, we might have
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     to move our station. Well, if you are now receiving--you
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     have your population of Mandarin, then what are they going to
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     do with this station over here? So you are absolutely
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     correct that there could be. So this is -- these are all very,
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     very good issues. But I am glad that we are discussing them,
     because all of this is very important to an underserved
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     population.
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          Mr. {Latta.} Well, thank you very much, Mr. Chairman.
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      I am going yield back the balance of my time.
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           Mr. {Walden.} I thank the gentleman for his questions.
     And now we will turn to the -- okay. Now, we will turn to -- who
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      is next on our side? Let us see. I think Mr. Long is next.
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     Mr. Long, do you have questions for our witnesses, or a
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     statement?
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          Mr. {Long.} Thank you, Mr. Chairman. And thank you all
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1096 for being here today. 1097 Mr. Libin, can you give me a specific example of maybe 1098 just one example of a low power TV station which would go out 1099 of business if the FCC makes changes to the incentive 1100 auction? 1101 Mr. {Libin.} That is also a great question. So there are--as we know now, there are thousands of LPTV stations and 1102 1103 translator stations. And I could make assumptions. But 1104 since we haven't seen any of the results of the auction yet, 1105 so I am not privy to what any of the results of the spectrum 1106 repacking study. This goes into the -- all of this has to take the geography of the country, and then it goes down to the 1107 level of the specific area. And it has to--now, you have to 1108 1109 do station coverage and decide well, there are different 1110 scenarios. How much spectrum are we getting back? If we are 1111 getting back so that we can sell in the auction a certain 1112 amount, if affects this number of stations. So you are 1113 asking a very, very good question. And I myself would love 1114 to know the answers, as well as the LPTV and the TV 1115 translator operators and owners, as well as the one--the manufacturers of the equipment. Because in--within the past 1116

1117 I think past month, just last week, one U.S. manufacturer of 1118 TV translator equipment has gone out of business because of 1119 all the uncertainty in this market. So... 1120 Mr. {Barton.} Would the gentleman yield, Mr. Long? 1121 Mr. {Long.} Yes. 1122 Mr. {Barton.} Let me rephrase the question that he just 1123 asked you, or give a generic answer. Wouldn't it be more 1124 likely that a low power television station that had been 1125 operating in an area that had been rural but had now become 1126 more urban or suburban, and was in a growth area where there 1127 was a high demand for wireless services, and maybe like the Congressman's district in Branson, Missouri that if there 1128 1129 were a low power television station, that station might lose 1130 its license because of the demand for wireless carriage 1131 because the population had grown? Isn't that an example--1132 possibly an example? 1133 Mr. {Libin.} That is absolutely a very good example. 1134 Another example that would hit home to the Chairman--to 1135 Chairman Barton would be if you look at, for example, you--if 1136 you take Texas and you look at Dallas, you can actually follow the translators along the interstate, because that is 1137

1138 where the populations are. And if one of them are impacted, 1139 the whole chain goes down. So in that effect, we are talking 1140 about a very big effect to a lot of people. 1141 Mr. {Barton.} I thank the gentleman. 1142 Mr. {Libin.} Thank you so much. 1143 Mr. {Long.} Let me kind of follow-up with all the 1144 moving parts and pieces. And I come from a 30 year 1145 background of the auction business. So I know a little bit 1146 about auctions. With all the moving parts and pieces that 1147 you are talking about, isn't that also going to affect how 1148 the bidders will look at what they need and what this auction 1149 will provide? 1150 Mr. {Libin.} I think so. I mean, that is--that 1151 question is--or if it is a question, it has to have an 1152 impact. But the impact is really minor. It is a minor impact, because again just by name, low power television are 1153 1154 lower power television. So they just need to be considered 1155 just as if there was some terrain in the way or something 1156 else. There is the impact of low power television into the 1157 auction to be considered in all the repacking scenarios is an 1158 impact, but it is not a major, major impact.

1159 Mr. {Long.} Okay. Thank you. And, Mr. Feld, from your 1160 testimony here today, you obviously think that the FCC has 1161 done a great job so far with this incentive auction 1162 preparation. Do you think they have made any mistakes and 1163 should have done anything differently or did anything 1164 differently regarding auction preparation? 1165 Mr. {Feld.} Well, I think that this has been a very 1166 challenging process for everybody, where everybody learns as 1167 they go. If we had known two years ago that this is where we 1168 were going to end up, we could have gotten here a lot faster. 1169 But I do have to say that one of the problems which I want to highlight is as Mr. Libin says from his perspective, this is 1170 1171 a minor impact. But again, all of these impacts, because 1172 these issues are so tightly wound with each other, all have 1173 impacts everywhere else in the auction structure, which 1174 requires everything to be recalibrated. So I think part of 1175 the delay and part of the issue here has been how do you get 1176 all of these complicated pieces to work together when we have 1177 no guide and sometimes conflicting goals that the FCC has 1178 been instructed by Congress to balance? I also think that 1179 there is a concern about time. Mr. Libin has said, you know,

we have 10 years to get this right. We don't really have 10 1180 1181 years. Congress gave the FCC 10 years to make sure that 1182 things could get done. But at impetus to pass legislation 1183 was the spectrum shortage, which we have been concerned 1184 about, and the demand for wireless capacity continues to 1185 grow. It was to fund deficit reduction, to fund FirstNet. 1186 And the longer we delay the auction, the longer these remain 1187 outstanding items on our federal budget ledger. So I think 1188 that particularly here where I do believe that the FCC has 1189 been overall doing a pretty good job of trying to thread this 1190 needle, and where we have a process that is unfolding now, 1191 then rather than have Congress drop another Bill, tell 1192 everybody to go back to--to go rethink does this legislation 1193 change the progress that we have made so far, that we ought 1194 to keep going, Congress should continue to exercise 1195 oversight. And if the further notice does not work out the 1196 way that Congress believes is necessary, there will still be 1197 time to take corrective action. 1198 Mr. {Long.} Okay. Thank you. And I am way over my 1199 time. And thank both of you once again. And, Mr. Chairman, 1200 I yield back.

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          Mr. {Walden.} Mr. Long, thank you for your questions.
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     Ms. Eshoo and I decided we are just going to put you in
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      charge of the auction when we get this thing done.
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          Ms. {Eshoo.} Yeah.
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          Mr. {Walden.} It would be a lot cheaper, faster,
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      easier.
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          Mr. {Long.} This thing here might take 10, 20, 30, 40
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     years.
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          Mr. {Walden.} That is all right. And we will raise
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     more money, and we guarantee we will have more fun. Mr.
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     Matheson, I am just going touch base with you one more time.
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     Okay. Then we will go to Ms. Ellmers for final questions, if
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     you have any?
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          Mrs. {Ellmers.} Thank you, Mr. Chairman. Mr. Feld, I
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     will start off with you just in continuing the conversation
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     here. From what I am hearing, you seem to believe that the
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     proposed LPTV legislation would delay the incentive auctions.
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     Obviously, you kind of made that clear. And, obviously, this
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      is problematic. But what are the consequences if the FCC
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      fails to protect translators and LPTV stations?
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Mr. {Feld.} Well, part of this is I understand that

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1222 there is some -- in your particularly -- in the LPTV community, 1223 but from where we have been sitting and what we have been 1224 urging has been for the FCC to actually take great care to 1225 protect these services. The FCC has continued to recognize 1226 their importance. 1227 Mrs. {Ellmers.} Um-hum. 1228 Mr. {Feld.} We have continued to stress their 1229 importance. You know, Public Knowledge is an organization 1230 that has supported localism and diversity in media for a very 1231 long time. I think we all recognize that if services in 1232 communities that communities rely and go dark, that that 1233 would be a grave disservice to those communities and would be 1234 contrary to over 80 years of communications long precedent. 1235 For that reason, I think that where the FCC is continuing to 1236 take these things very seriously, where the struggle has been 1237 to try to figure out how to balance multiple interests that 1238 Congress should continue to exercise its oversight. 1239 Mrs. {Ellmers.} Um-hum. 1240 Mr. {Feld.} Be prepared to step in, if necessary. 1241 legislation is a very big step. And contrary to what

Chairman Walden may believe, I know the FCC takes the acts of

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1243 Congress very seriously. At least they spend a lot of time 1244 considering them. And if there is a Bill that is proposed now, my concern is that it causes everybody to take their 1245 1246 tokens, go back to go and reopen a lot of issues that we had 1247 thought were settled. 1248 Mrs. {Ellmers.} Okay. Mr. Libin, I understand there is 1249 a 10 year window of time that has been mentioned already. 1250 What do you see is the relevant timeline for the LPTV and 1251 translators in terms of your feelings of the impact of the 1252 incentive auction? Is that -- are you -- is the 10 year, or are you coming down to a shorter period of time now as well, 1253 1254 considering all things? 1255 Mr. {Libin.} Right. So first of all, our goal is, as I said before, is absolutely not to slow down the process at 1256 1257 all. It is an optimization process. We now know more. We also know a little bit that the FCC sort of needs this nudge 1258 on LPTV and TV translators and boosters, because they have 1259 1260 been advocating a little bit maybe on the side of the 1261 wireless providers. And that is where we sort of had this 1262 whole issue where now LPTV might be tertiary to the wireless providers. So I think that is why this is so important to 1263

1264 come back with sort of the reminder from Congress that this 1265 is the way you have to treat LPTV. And I don't think that it 1266 really slows the process down. I think that in effect if we 1267 open it up, there are a lot of experts out there--a lot more 1268 experts who now could come in and can say and by the way, 1269 there are many tweaks that have to be done to the software 1270 right now. And so this is just another one. Let us add it 1271 in there. And let us see how far we can help keep the 1272 deadline, which is again we are all shooting for much less 1273 than 10 years. Mrs. {Ellmers.} Right. And, Mr. Feld, do you want to 1274 1275 expand on that? 1276 Mr. {Feld.} I would just like to add that our organization, Public Knowledge, other organizations in the 1277 1278 public interest spectrum coalition, which include 1279 organizations that care a great deal about diversity in 1280 media, have consistently hoped that this can be a win for 1281 everybody. And one of the advantages of the ongoing FCC 1282 process is we continue to try to work with the--all of the 1283 communities who are involved to find solutions. As I say, we have proposed the solution that is actually proposed in this 1284

1285 Bill, this voluntary reduction in power in order to save 1286 licensees. We think that there are other ways in which we 1287 can cooperate rather than view this as a, yeah, fight. And 1288 my hope is that in fact what we need is not a push for the 1289 FCC to go back to the beginning and force everybody to go 1290 through all of this again, but instead a nudge for all of the 1291 parties to come together and find solutions that are going to 1292 maximize the efficiency for everybody. 1293 Mrs. {Ellmers.} Um-hum. Thank you. And thank you 1294 both. And, Mr. Chairman, I yield back the remainder of my 1295 time. Mr. {Walden.} Thank the gentlelady. And I thank our 1296 1297 witnesses for your testimony. If you have other comments we 1298 should be aware of, please submit them. And I am sure we 1299 will probably have some questions perhaps from the Committee, 1300 so we will keep the record open for submission of that, as 1301 according to our rules. 1302 We thank you very much. And I thank everyone for being 1303 here and participating. And we stand adjourned. 1304 [Whereupon, at 11:25 a.m., the subcommittee was 1305 adjourned.]